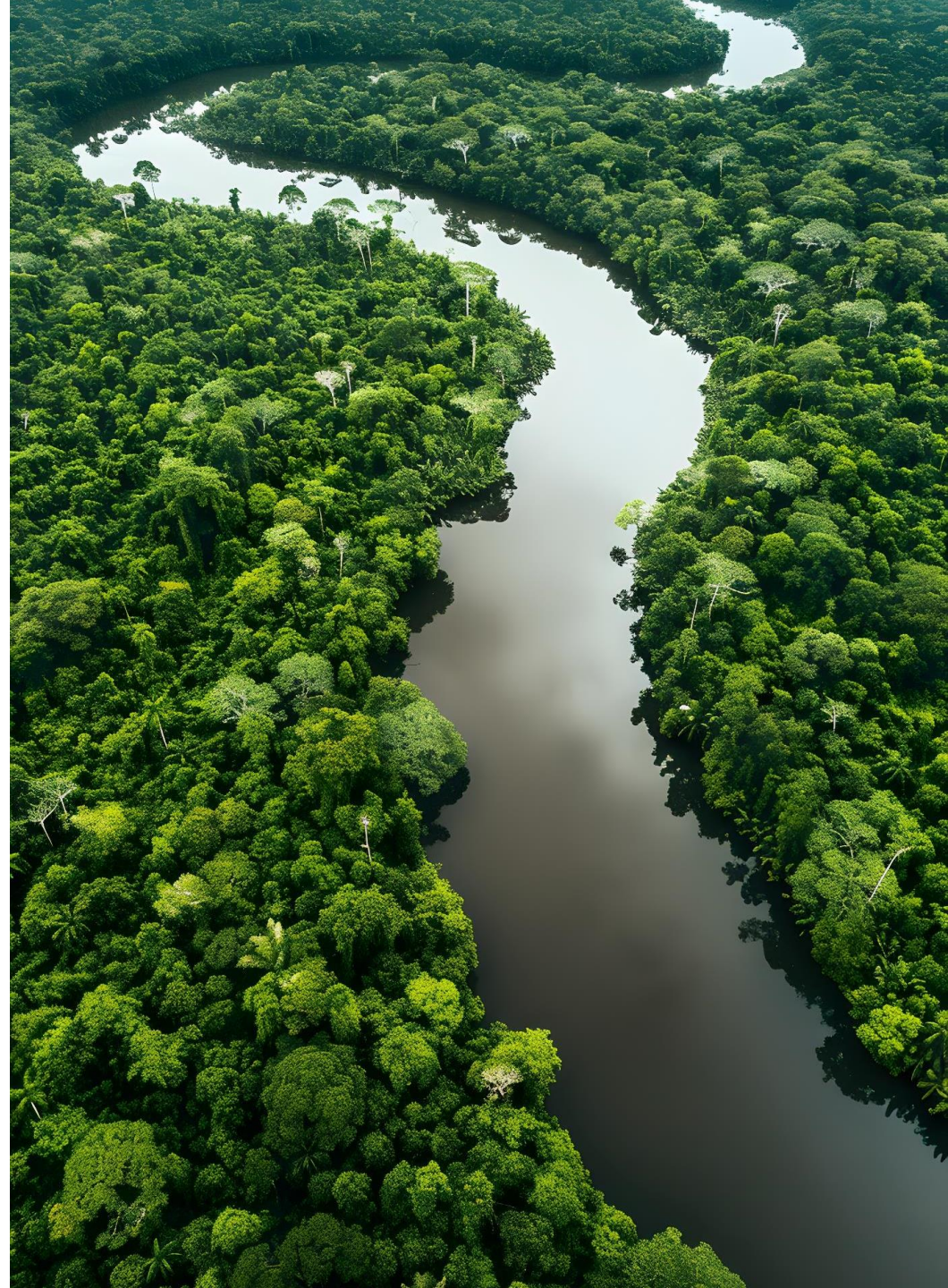


Federal Public Debt

Investor Presentation



Brazil At A Glance



5TH

LARGEST COUNTRY BY AREA

8,510,420 km²

11TH

LARGEST GDP IN THE WORLD

US\$ 2.28 trillion (2025)

3RD

LARGEST FDI RECIPIENT

US\$ 76.9 billion (2025)

7TH

LARGEST POPULATION

212 million (2024)

GDP

US\$ 10,686 GDP PER CAPITA

(2025)

1 Macroeconomic Scenario

2 Federal Public Debt Management



Macroeconomic Scenario

- Progress of the economic reform agenda
- Consistent economic growth
- Commitment to fiscal consolidation
- Improvements in the sovereign rating



Brazil Maintains An Agenda of Successive Structural Reforms



Tax Reform – Direct Economic Impacts

Simplified Tax System

- Decrease in the Brazil cost (*Custo Brasil*)
- Reduction in compliance cost (time and administrative burden)
- Lower tax litigation volume
- Efficiency gains

Boosting Investment and Competitiveness

- Increased attractiveness for domestic and foreign investment
- Enhanced competitiveness in global markets
- Reduction in tax rate differentials
- Improved business environment

Reduction of federative tensions

- Reduction in fiscal disputes
- Lower reliance on tax incentives and subsidies

Equity and Social Impact

- Improved income distribution
- Progressive effects

- IMF 2024, Brazil Article IV, Annex VIII. Assessing Brazil's VAT Reform:
 - *“Reducing the tax on intermediate inputs to zero while imposing revenue neutrality via VAT adjustment would increase GDP by 11 percent relative to the status quo in the long run.”*
 - *“In the MIMMI⁽¹⁾, the reform generates strong efficiency gains through an expansion of the formal sector, with only mild distributional and poverty rate implications.”*
 - *“The tax reform is expected to alleviate the tax burden on the poorest.”*

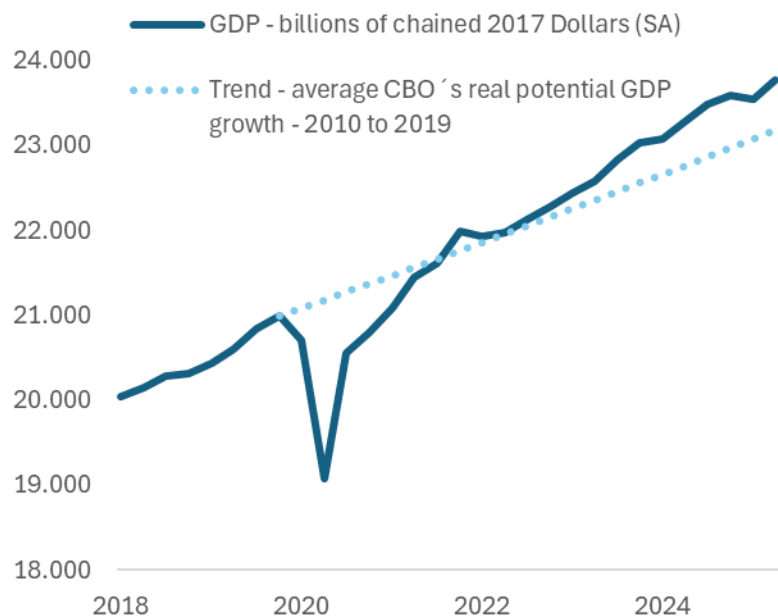
Note: (1) *Multisector Incomplete Markets Macro-Inequality Model*, developed by the IMF to analyze the distributive impact of policies and reforms, specially in countries with incomplete markets and high inequality.



After crises, countries struggle to return to their pre-crisis growth trajectory

The United States stands out by registering a faster-than-expected GDP recovery, surpassing pre-pandemic levels.*

USA



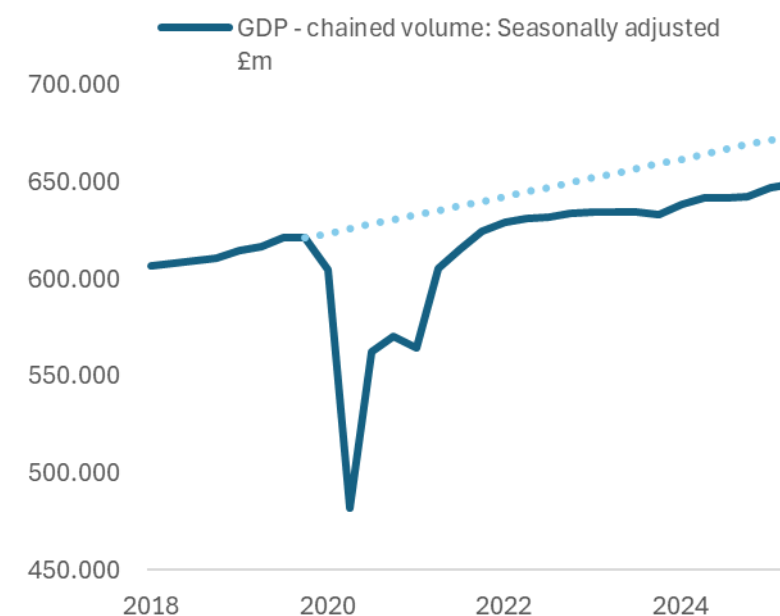
Source: FED St. Louis and Congressional Budget Office - CBO

Eurozone



Source: FED St. Louis and European Commission

UK



Source: Office for National Statistics and Office for Budget Responsibility - OBR

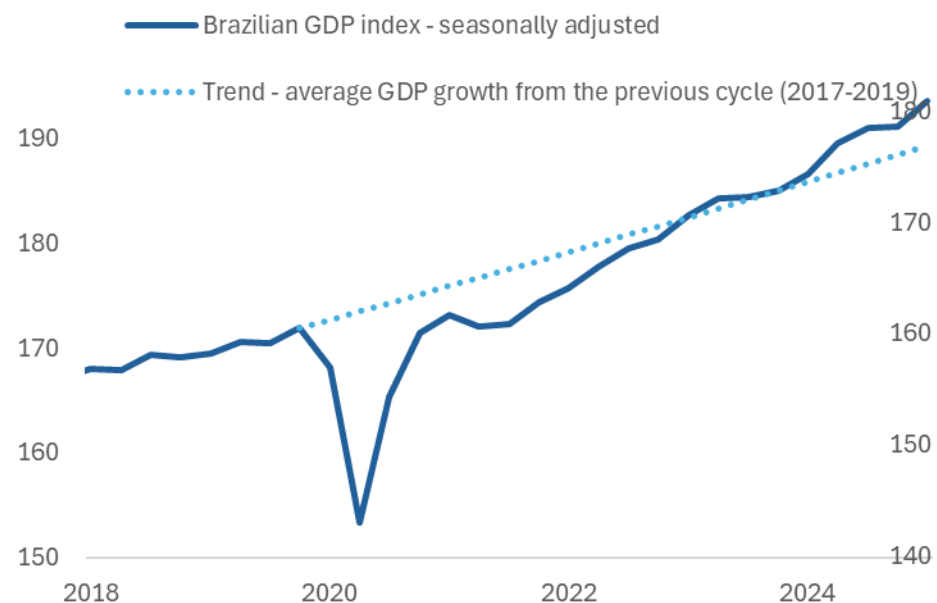
* FEDS Notes, Why is the U.S. GDP recovering faster than other advanced economies? May 17, 2024



A similar pattern is seen in Emerging Markets.

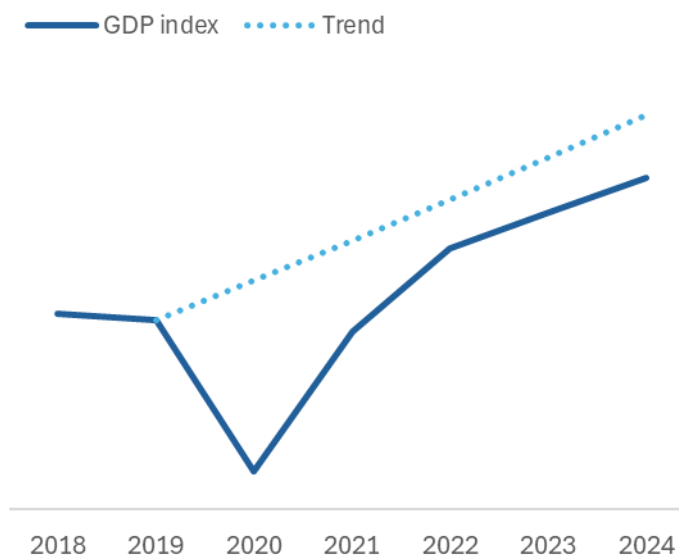
Brazil stands out for exceeding its pre-pandemic growth trajectory, driven by a series of structural reforms.

Brazil



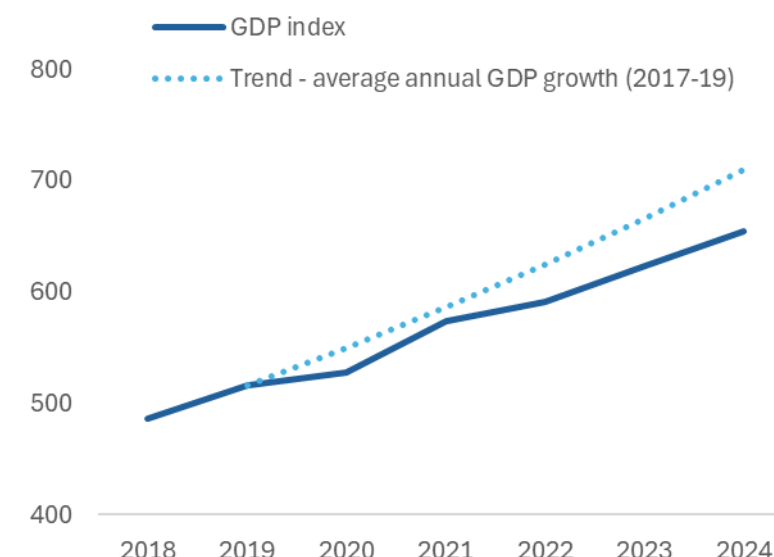
Source: IBGE

Latin America ex-Brazil



Source: IMF (WEO Apr-25)

China

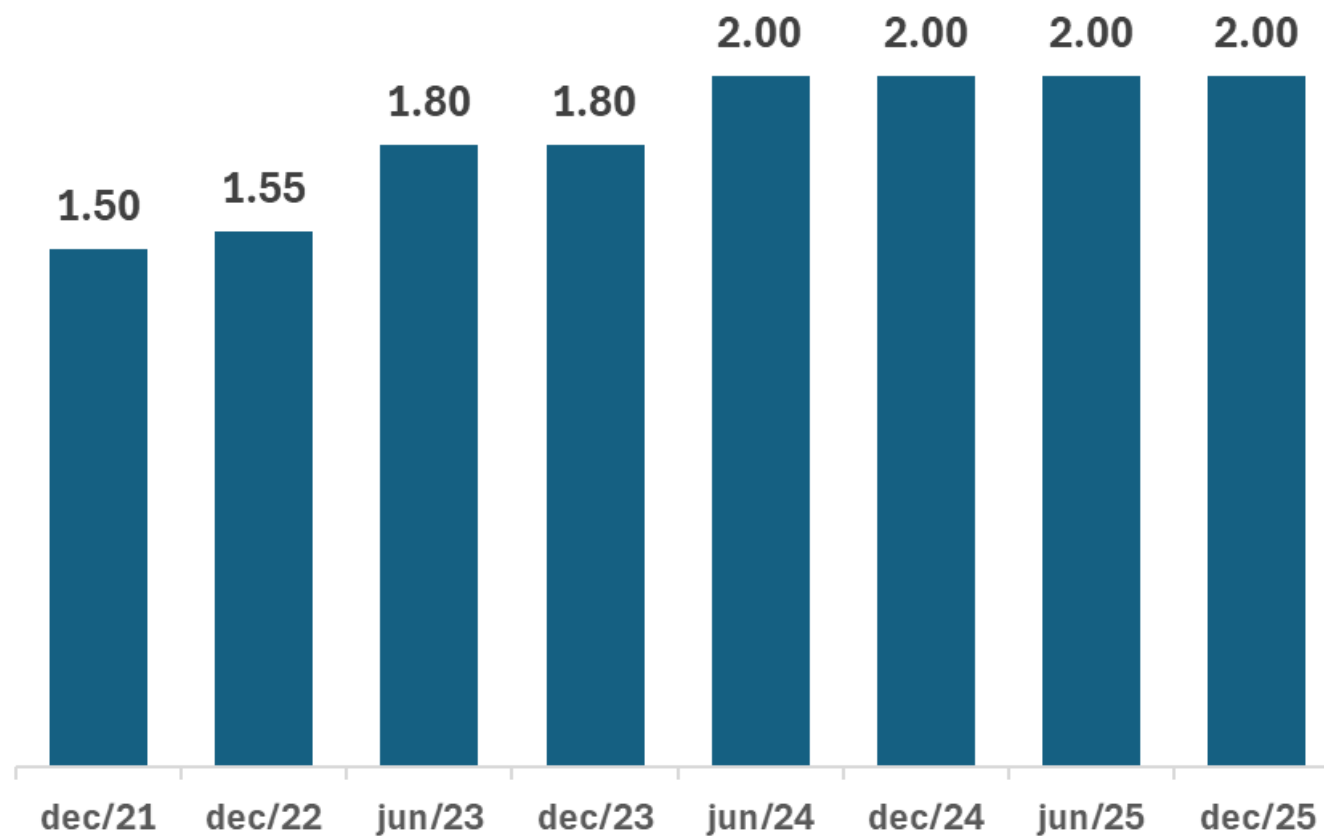


Source: IMF (WEO Apr-25)



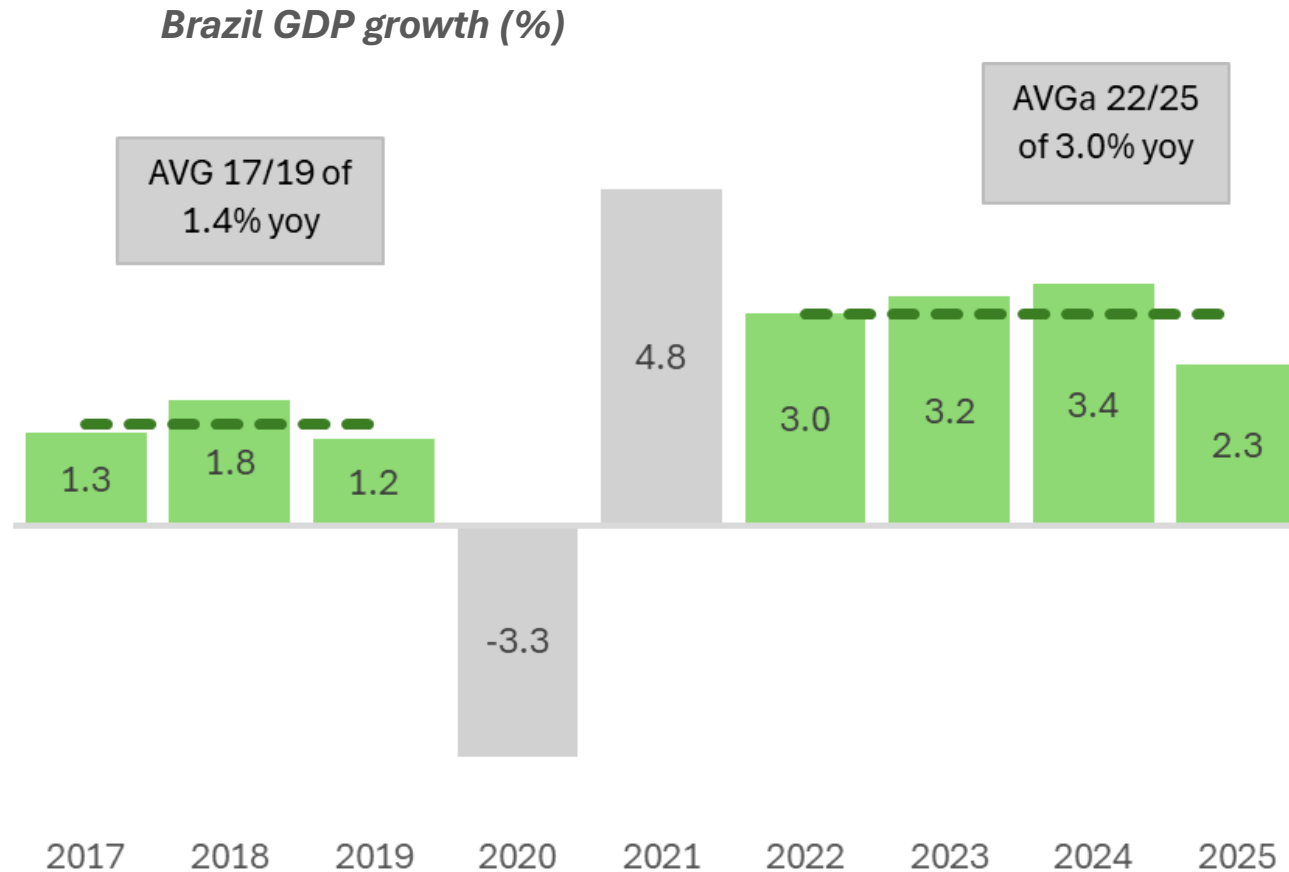
Improvement in Market Estimates of Potential GDP

Potential GDP growth rate in two years: Median of responses from market analysts



Brazil's GDP growth exceeds the pre-pandemic average

The improvement in GDP growth is largely due to the economic reforms of recent years



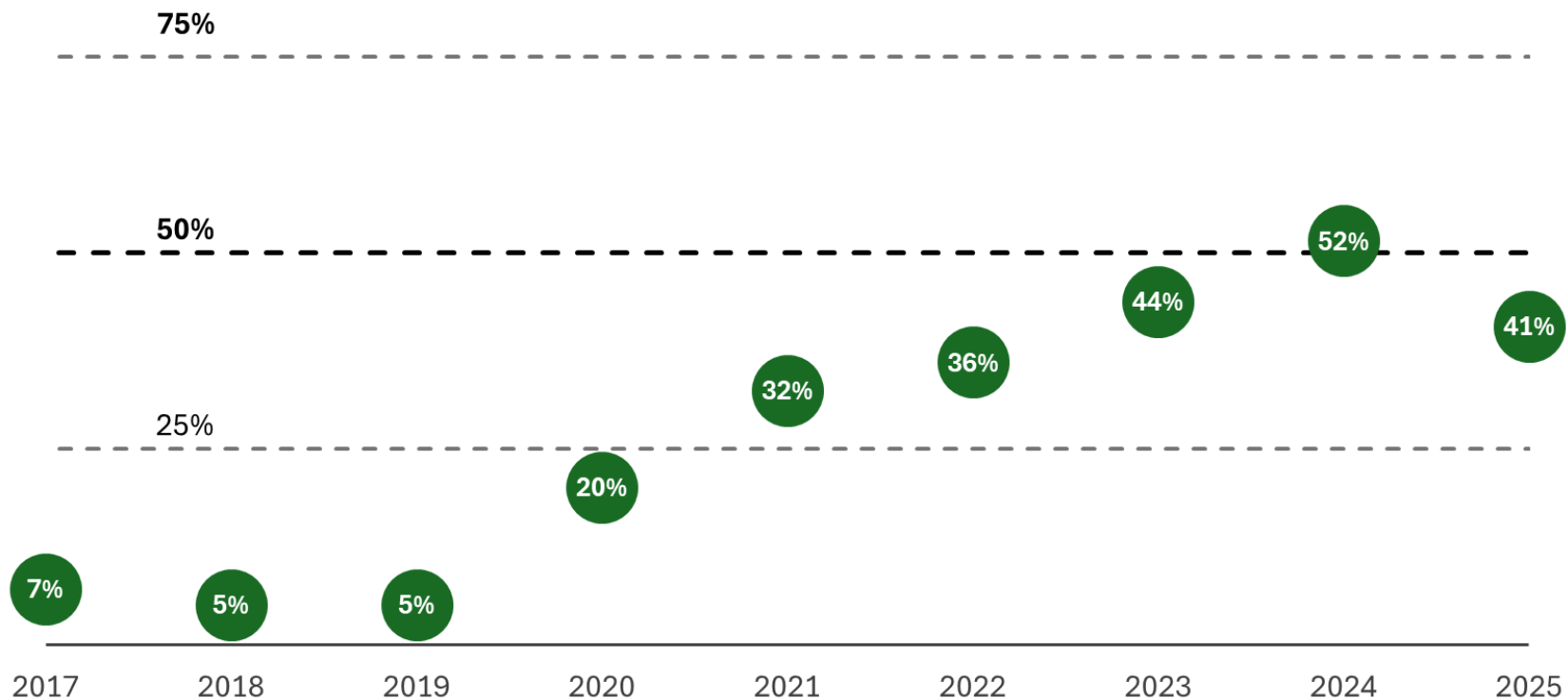
Source: IBGE



Rise of Brazil's GDP growth in the global ranking

Before the pandemic, Brazil's GDP growth was among the lowest 5%. After 2023, Brazil approaches the global median.

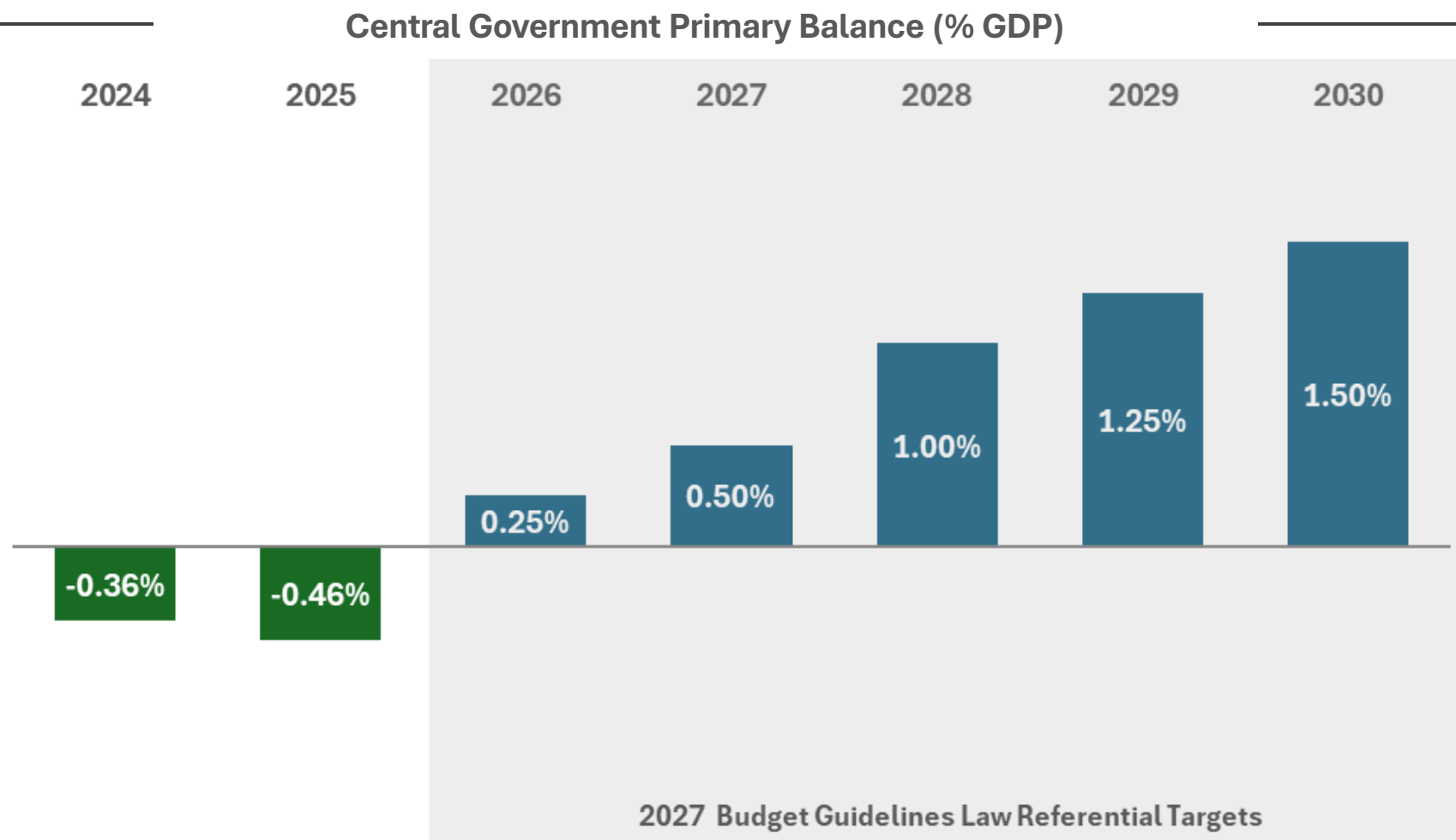
Brazil's percentile in global growth (5-year average)



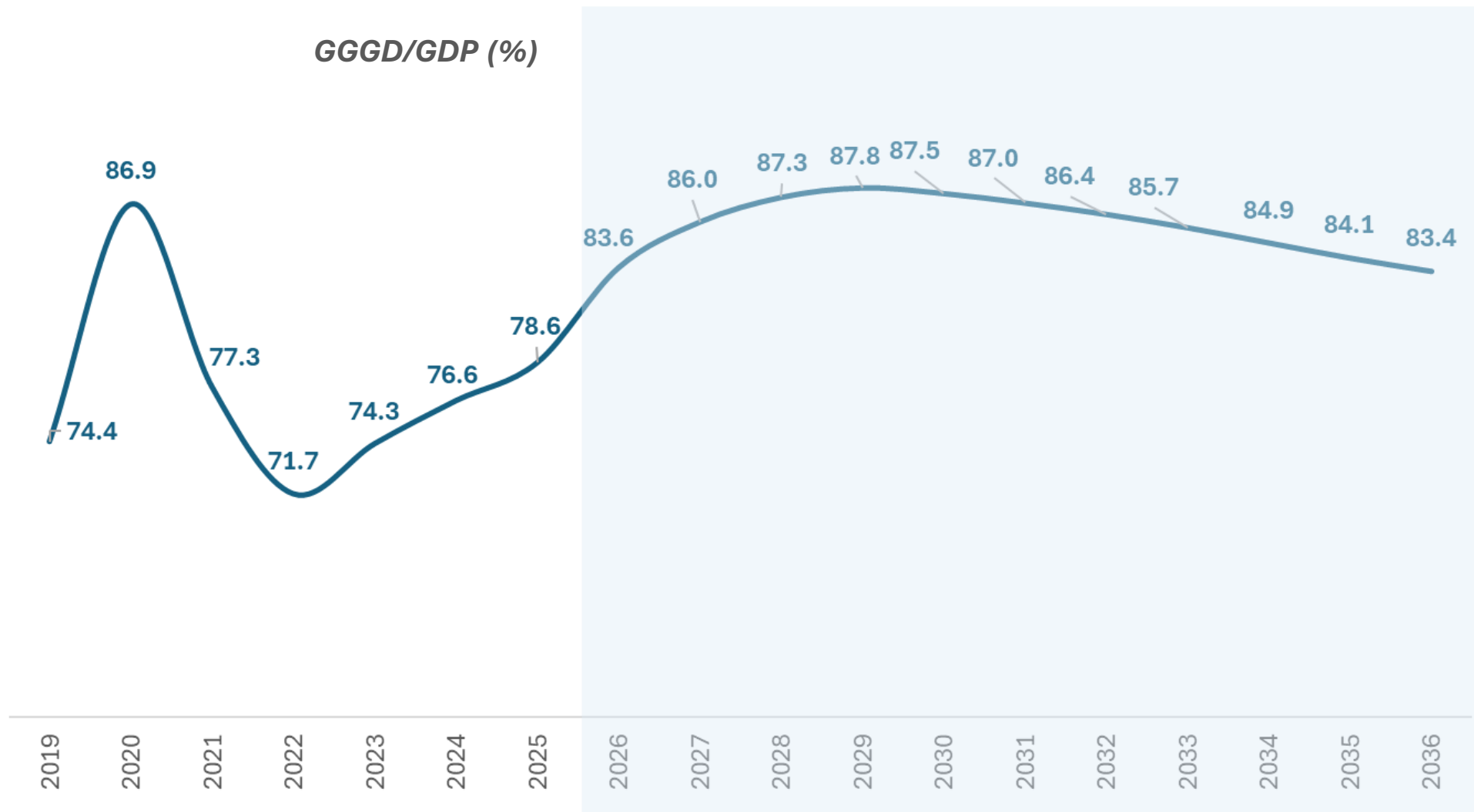
Source: FMI (WEO apr/26)



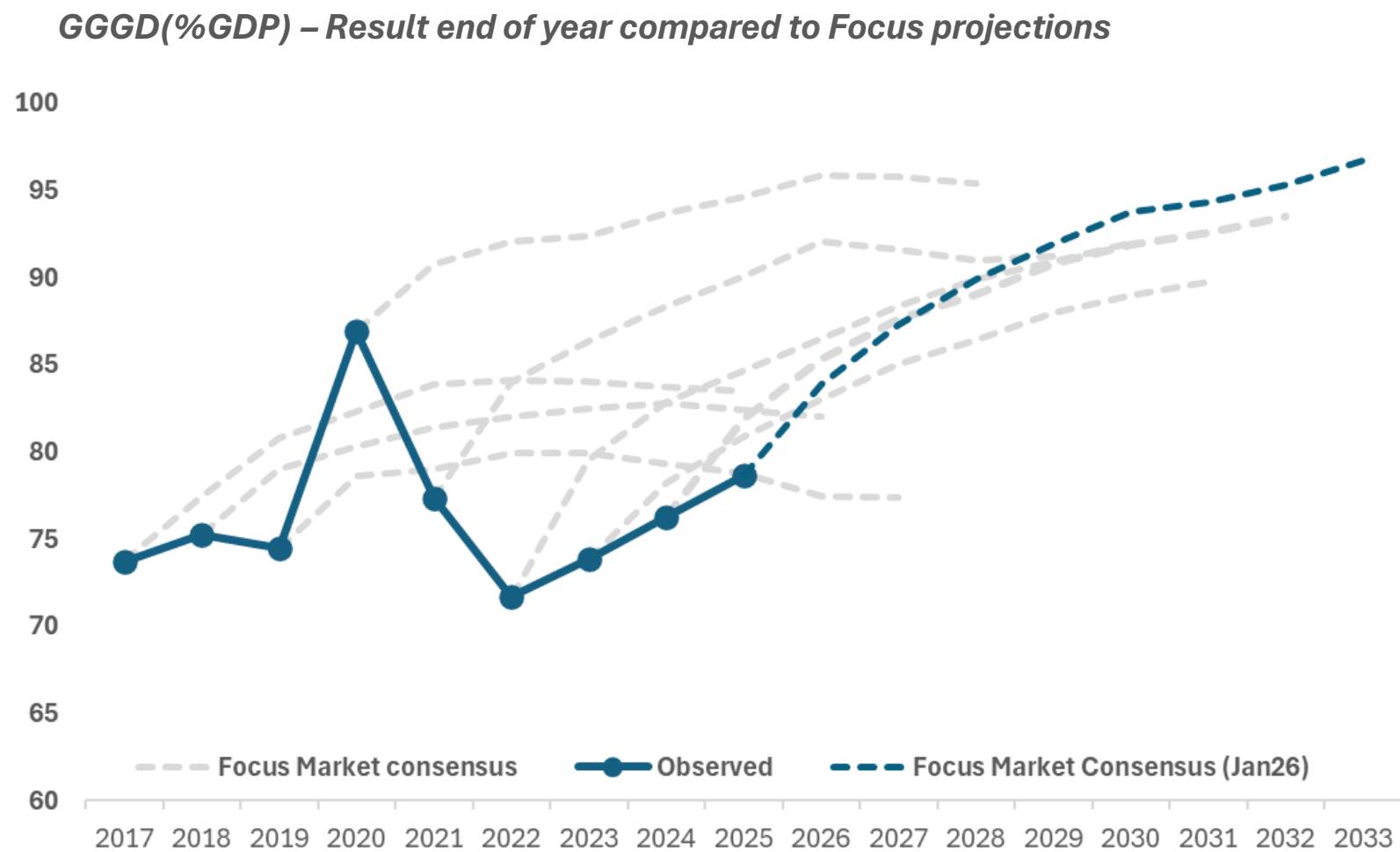
In the Sustainable Fiscal Regime, Primary Surpluses Are Targeted For The Following Years



Stabilization of General Government Gross Debt in the medium term, followed by decrease after 2030



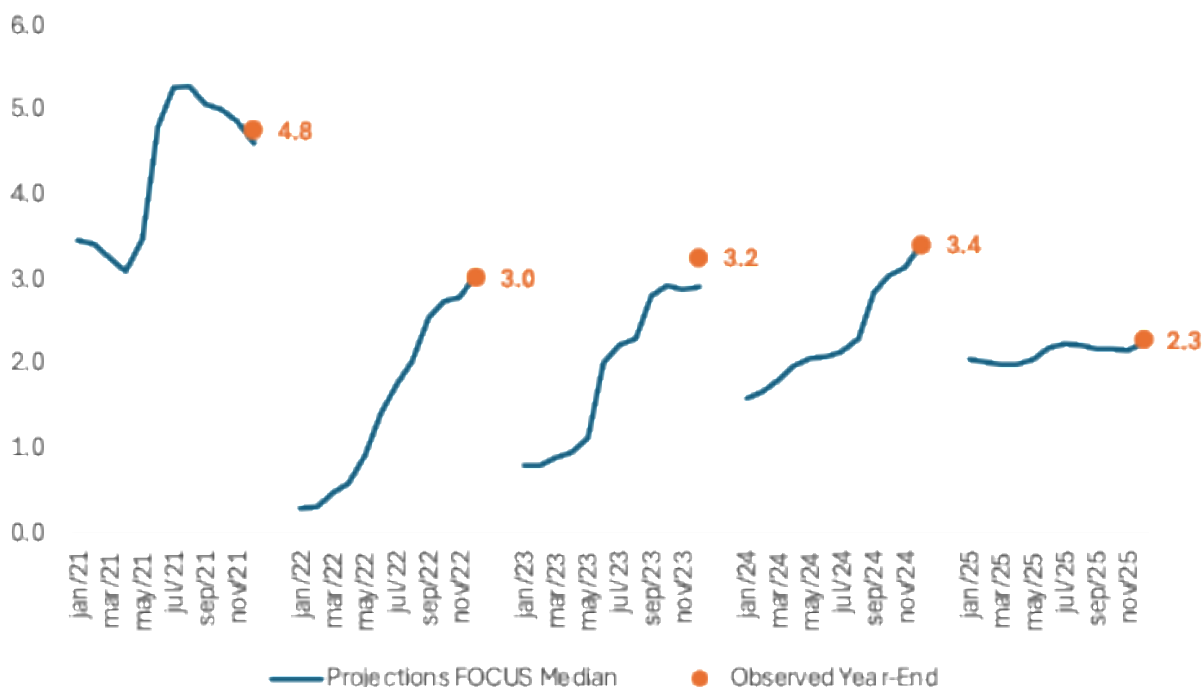
Market estimates at the beginning of the year tend to overestimate the GGGD for the end of the period



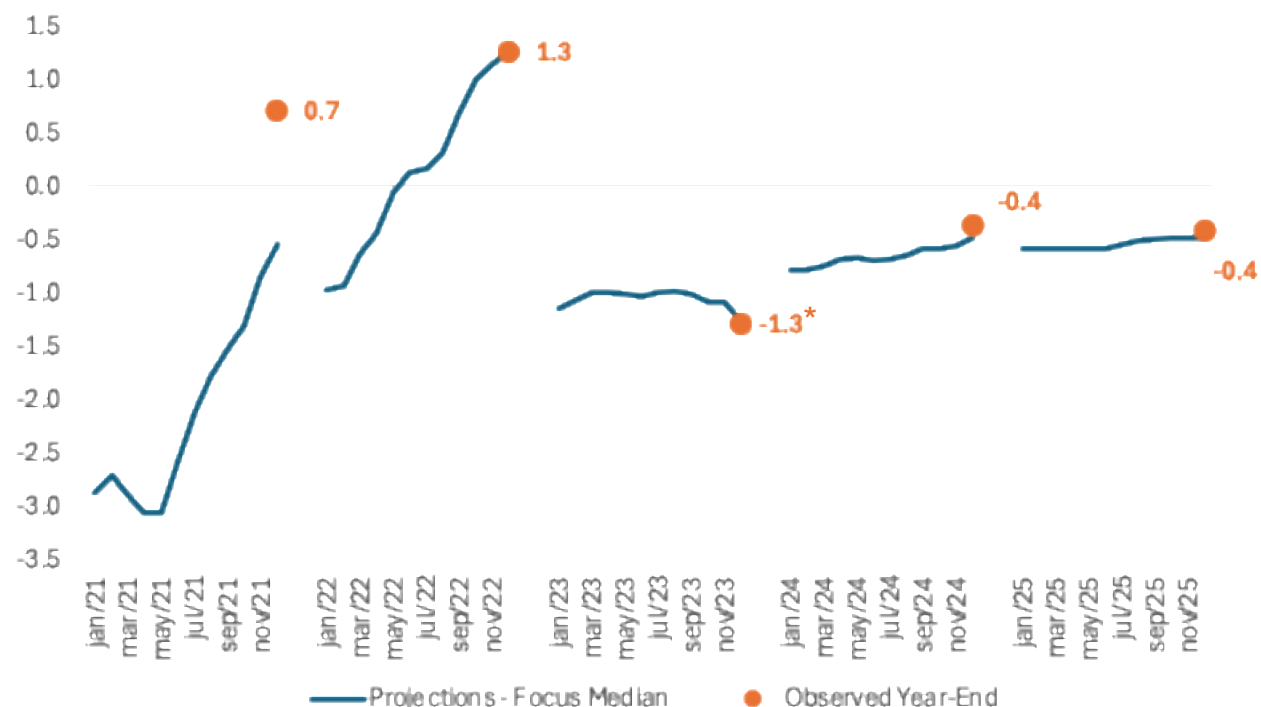
In recent years, market forecasts for GDP and primary balance are underestimated, as revealed by Focus market survey median

Improvements on GDP and Primary Balance explains, partially, a lower GGGD when compared to market forecast

Annual GDP growth (%)



Primary Balance (% GDP)



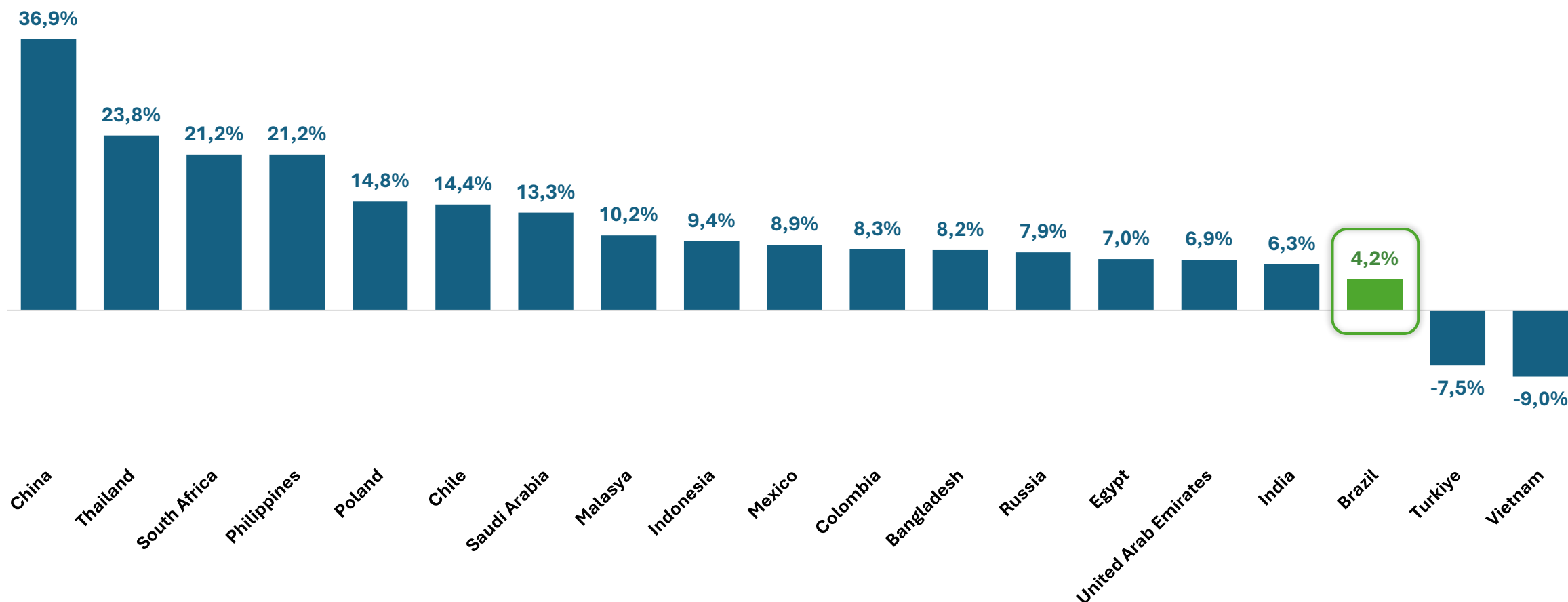
* Primary balance for 2023 excludes compensation to the states ICMS (R\$27 bi) and court-ordered Debt payments (R\$92,4 bn)



Brazil is One Of The Few Countries With The Lowest GGGD¹ Differential ('25 vs '19)

GGGD¹ differential (% GDP) in 2025 and 2019 Emerging Markets

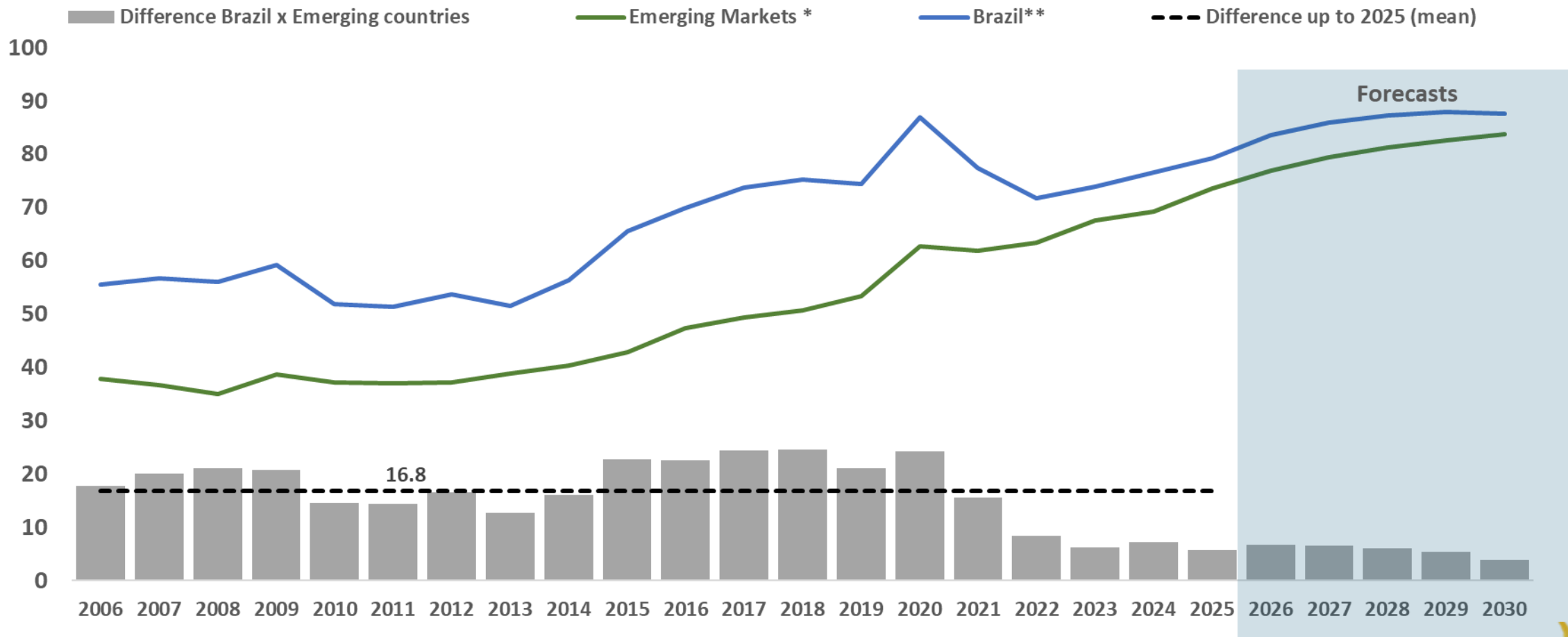
GGGD¹(%GDP) – International Comparison (change 2025 relative to 2019)



The difference between Brazil's public debt and the weighted average of the 20 largest emerging countries is close to its lowest historical value

GGGD – International Comparison

General Government Gross Debt (% of GDP)



Sources: * IMF WEO Apr/26 – GGGD of the 20 largest emerging markets in GDP (USD).

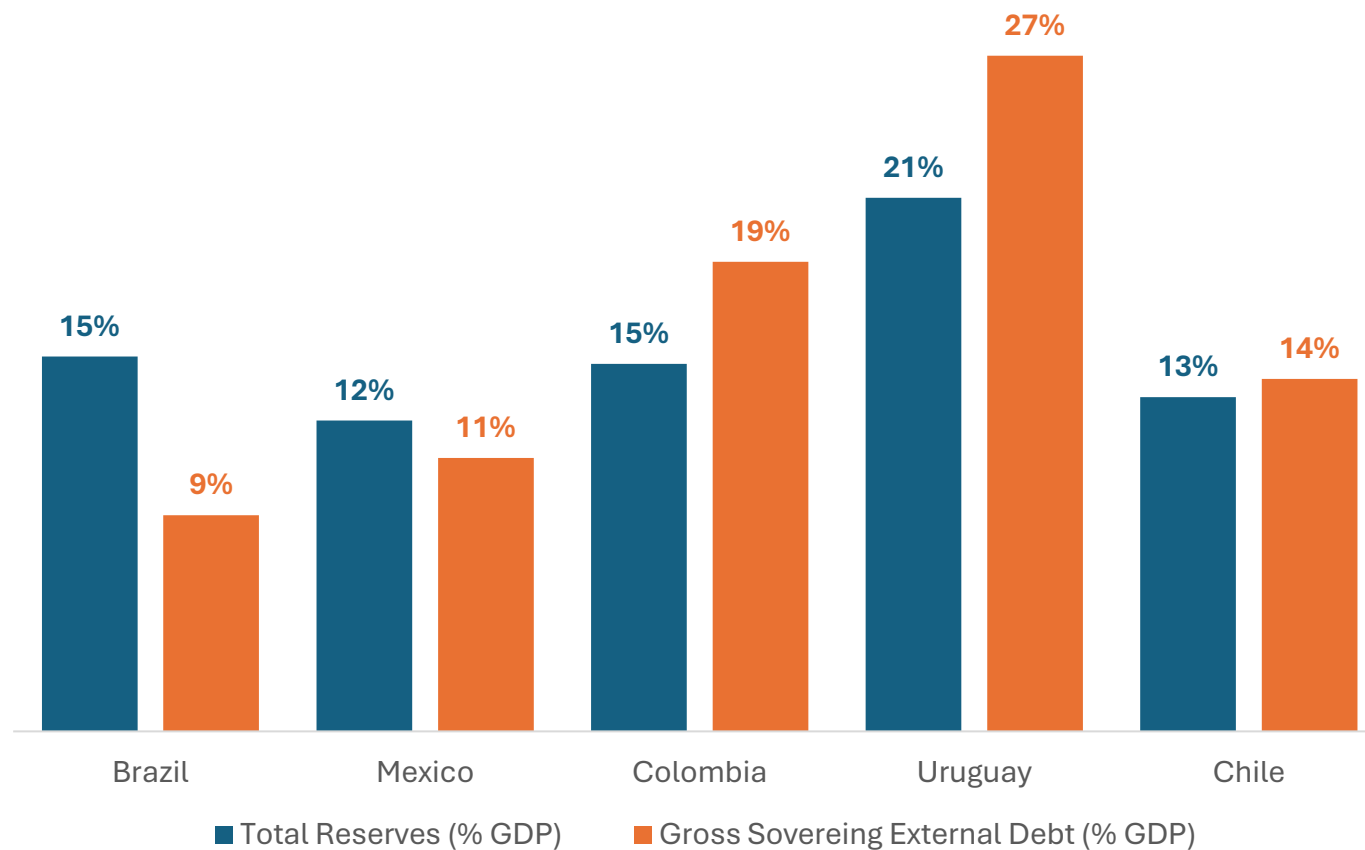
** Central Bank of Brazil and National Treasury – Brazil’s GGGD and forecasts



Total Reserves Significantly Higher Than External Sovereign Debt

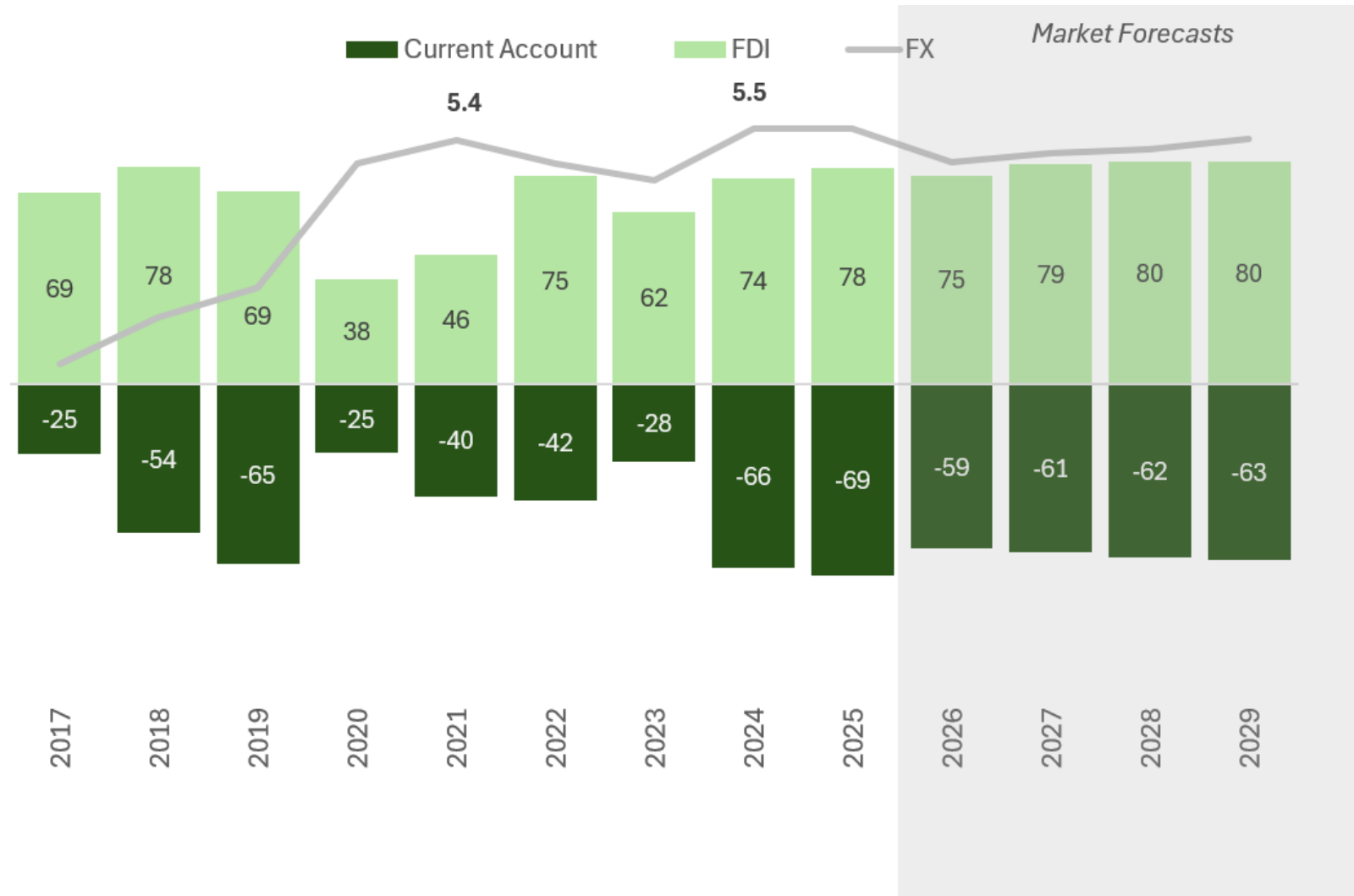
Brazilian Federal Government is an external creditor

International Reserves and Gross Sovereign External Debt (2024)



Low vulnerability in the external sector

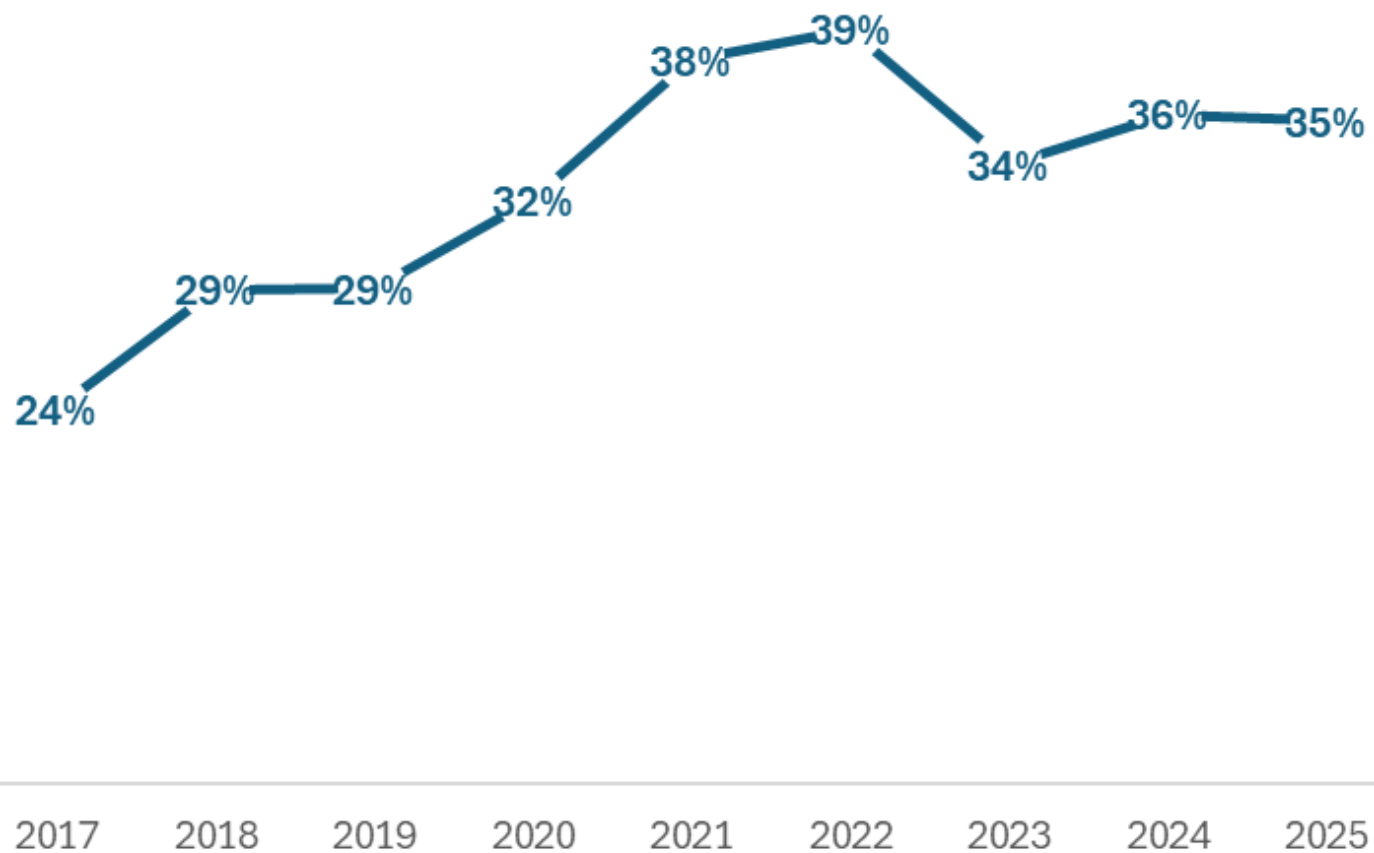
Current Account vs. FDI (US\$ bn)



Brazil has been expanding international trade

International trade in goods accounts for more than 30% of GDP.

International Trade - (Exports+Imports)/GDP



A series of positive upgrades in the country's credit rating reflects progress in the economic outlook and brings Brazil closer to investment grade status.

	S&P	2022	2023	2024	2025
Investment Grade	BBB+ BBB BBB-				
Speculative Grade	BB+ BB BB- B+	BB-	BB	BB	BB

	Fitch	2022	2023	2024	2025
Investment Grade	BBB+ BBB BBB-				
Speculative Grade	BB+ BB BB- B+	BB-	BB	BB	BB

	Moody's	2022	2023	2024	2025
Investment Grade	Baa1 Baa2 Baa3				
Speculative Grade	Ba1 Ba2 Ba3 B1	Ba2	Ba2	Ba1	Ba1

S&P Global Ratings

On **June 2025**, S&P kept the sovereign credit rating at '**BB**', with a **stable** outlook.

Fitch Ratings

On **June 2025**, Fitch kept the sovereign credit rating at '**BB**', with a **stable** outlook.

MOODY'S

On **May 2025**, Moody's kept the sovereign credit rating at '**Ba1**', with a **stable** outlook.



Brazil launched the *Novo Brasil* – Ecological Transformation Plan to promote sustainable development

- The plan aims to encourage investments with a positive environmental impact and to reduce inequalities.
- It is structured around six key pillars:
 - Sustainable finance
 - Technological advancement
 - Bioeconomy and agro-food systems
 - Energy transition
 - Circular economy
 - New green infrastructure and adaptation

Highlighted Projects:

- **Carbon market** (cap-and-trade model):
In December 2024, Law No. 15,042 established the Brazilian Emissions Trading System (SBCE), regulating Brazil's carbon market with tradable permits for greenhouse gas emissions.
- **Fuels of the future** (green diesel, biodiesel, biogas, ethanol, carbon capture and storage, and synthetic fuels):
Law No. 14,993/2024
- **MOVER Program** (Green Mobility and Innovation):
Tax incentives for R&D focused on the decarbonization of the mobility sector. The program was approved and regulated by Law No. 14,902/2024.
- **Brazilian Sustainable Taxonomy:**
Decree No. 12,705/2025 created the Brazilian Sustainable Taxonomy (TSB), which is a classification system that defines criteria for economic activities, assets and/or project categories to be considered sustainable.



Among the initiatives, is the Eco Invest Brazil program, which was created to unlock sustainable private investment and attract foreign capital for long-term investments.

Led by the Ministry of Finance and the National Treasury, it aims to:

- Promote investments in projects that foster the transition to a sustainable economy;
- Attract foreign investment to Brazil;
- Improve access to international capital markets for foreign companies and projects;
- Support the development of the long-term currency protection market.

The initiative has four credit lines:

- Blended finance;
- Long-term foreign exchange liquidity facility;
- Promotion of foreign exchange protection;
- Project structuring.

- **October 2024: 1st Eco Invest Auction**, with a focus on **energy transition**. BRL 7 billion in catalytic capital and BRL 45 billion in expected investments over the next two years.
- **April 2025: 2nd Eco Invest Auction**, mobilizing R\$ 30.2 billion in Investments aiming at recovering 1 million hectares of degraded land, and promoting the conversion of **degraded land into sustainable production systems**.
- **October 2025: 3rd Eco Invest Auction**, focusing on **equity investments**. Focus on priority chains of “Novo Brasil – Ecological Transformation Plan”.
- **November 2025: Launch of the 4th Eco Invest Auction**, to promote projects related to bioeconomy, sustainable tourism, and infrastructure on Amazon region.
- **May 2026: Launch of the 5th Eco Invest Auction**, with focus on fostering technological innovation in strategic supply chains within the green economy



1

Macroeconomic Scenario

2

Federal Public Debt Management



Federal Public Debt Management

- Debt predominantly issued in local currency (95% of total outstanding debt)
- Strong domestic market supported by a diversified investor base
- Liquidity buffers for debt management maintained above prudential thresholds

Public debt management based on established objective and guidelines

Objective of Federal Public Debt Management

The aim of Federal Public Debt (FPD) management is to efficiently fulfill the federal government's financing needs at the lowest possible long-term cost, while ensuring prudent risk levels. Additionally, it aims to support the development and proper functioning of the Brazilian sovereign bond market.

Guidelines of Federal Public Debt Management

- Gradual replacement of floating-rate bonds with fixed-rate and inflation-linked bonds;
- Smoothing the maturity structure, with special attention to debt maturing in the short term;
- Increasing the outstanding average maturity;
- Yield curve development and increasing federal government bonds liquidity on the secondary market;
- Diversification and broadening of the investor base and;
- Maintenance of the liquidity reserve above its prudent level.

Debt profile is pursued gradually in the long-term (up to 2035), providing guidance for outlining borrowing strategies

Long-term composition benchmark for Federal Public Debt - FDP

Indicator	Benchmark		Range	
	Composition (% of FDP)	Average Maturity (years)	Composition (% of FDP)	Average Maturity
Indexes				
Fixed Rate	35	3.0	± 2.0	± 0.3
Inflation linked	35	7.5	± 2.0	± 0.5
Floating Rate	23	3.5	± 2.0	± 0.3
FX-linked	7	7.5	± 2.0	± 0.5
Maturity Profile				
FDP Average Maturity		5.0		± 0.5
% Debt due in 12 months	20		± 2.0	

Source: National Treasury



Annual Borrowing Plan 2026: Expectations for FPD indicators

Indicators	Dec/24	Dec/25	Apr/26	ABP 2026 ranges	
				Min	Max
Stock of marketable FPD* (BRL billion)					
	7,316.1	8,635.1	8,798.3	9,700	10,300
FPD Profile (%)					
Fixed-Rate	22.0	22.1	20.9%	21.0	25.0
Inflation-Linked	27.0	25.9	26.8%	23.0	27.0
Floating-Rate	46.3	48.3	48.6%	46.0	50.0
FX	4.8	3.8	3.8%	3.0	7.0
FPD Maturity Structure					
Percentage Maturing in 12 Months (%)	17.9	17.5	19.0	18.0	22.0
Average Maturity (years)	4.0	4.0	4.1	3.8	4.2

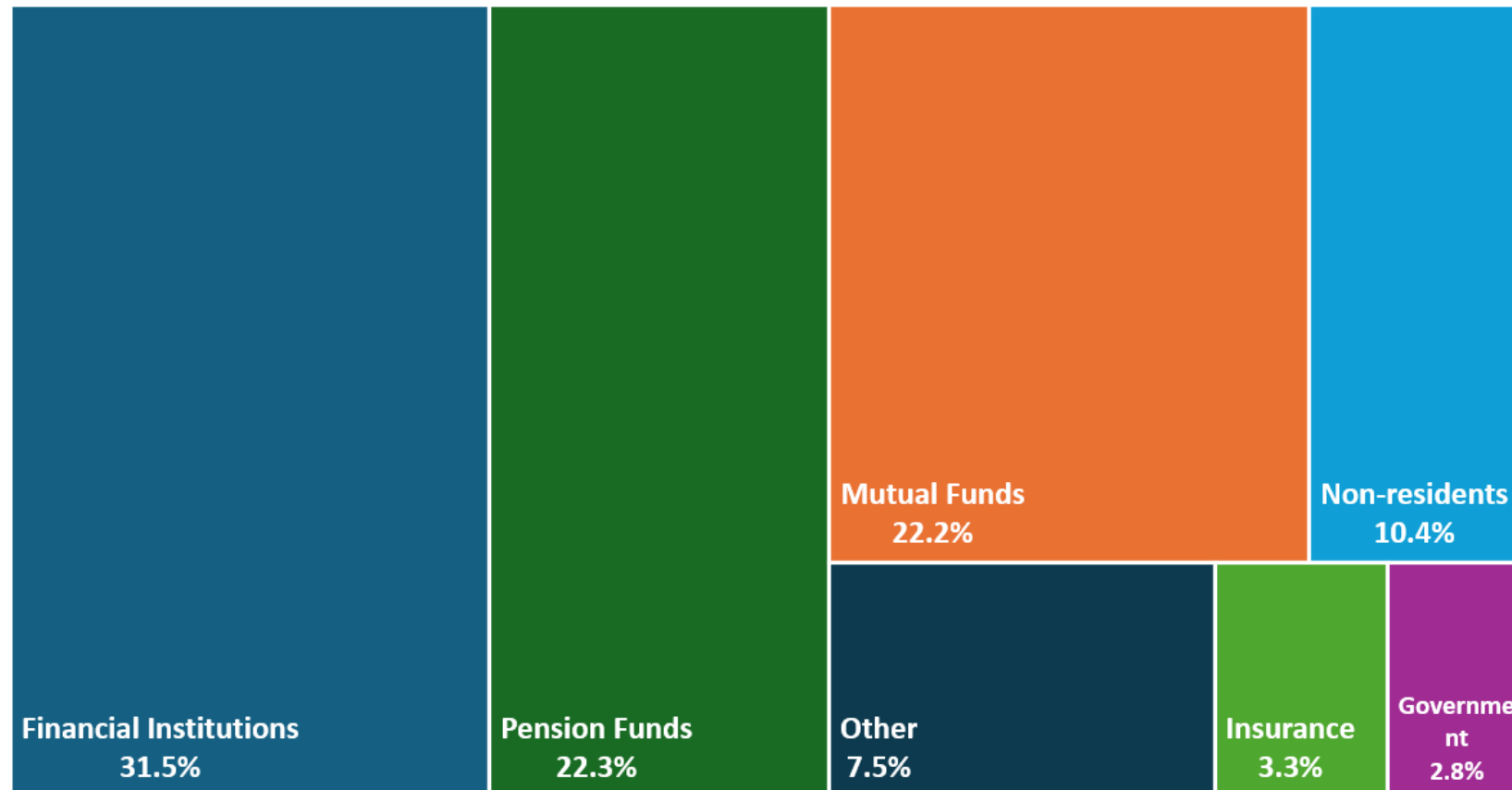
*It includes domestic (BRL 8,462.38 bn - Apr26) and external debt (BRL 335.88 bn - Apr26) managed by the National Treasury.

Source: National Treasury (Annual Borrowing Plan 2026 and Monthly Debt Report)

Brazil has a diversified investor base

- It contributes to the reduction of risks associated with the Federal Public Debt management.

Investor base DFPD (April 26)



Source: National Treasury,

Note 1: Federal Public Debt statistics are available at <https://www.tesourotransparente.gov.br/publicacoes/relatorio-mensal-da-divida-rmd>

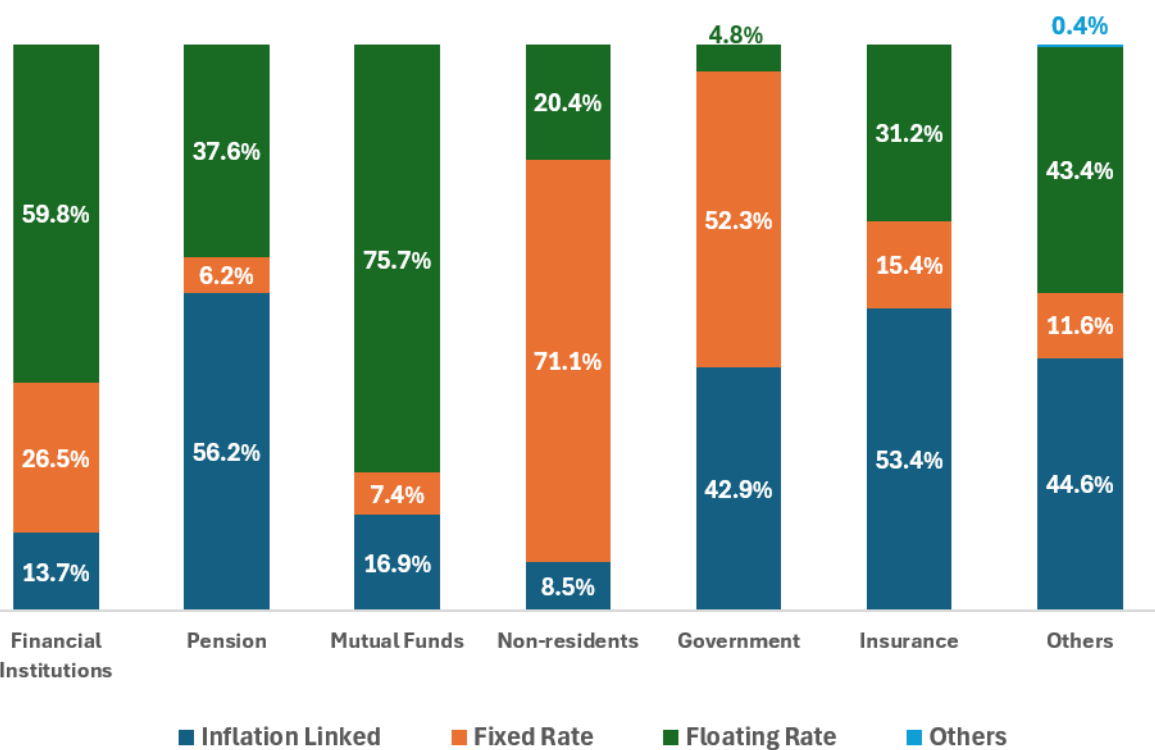
Note 2: "Government" includes funds managed by the public sector.



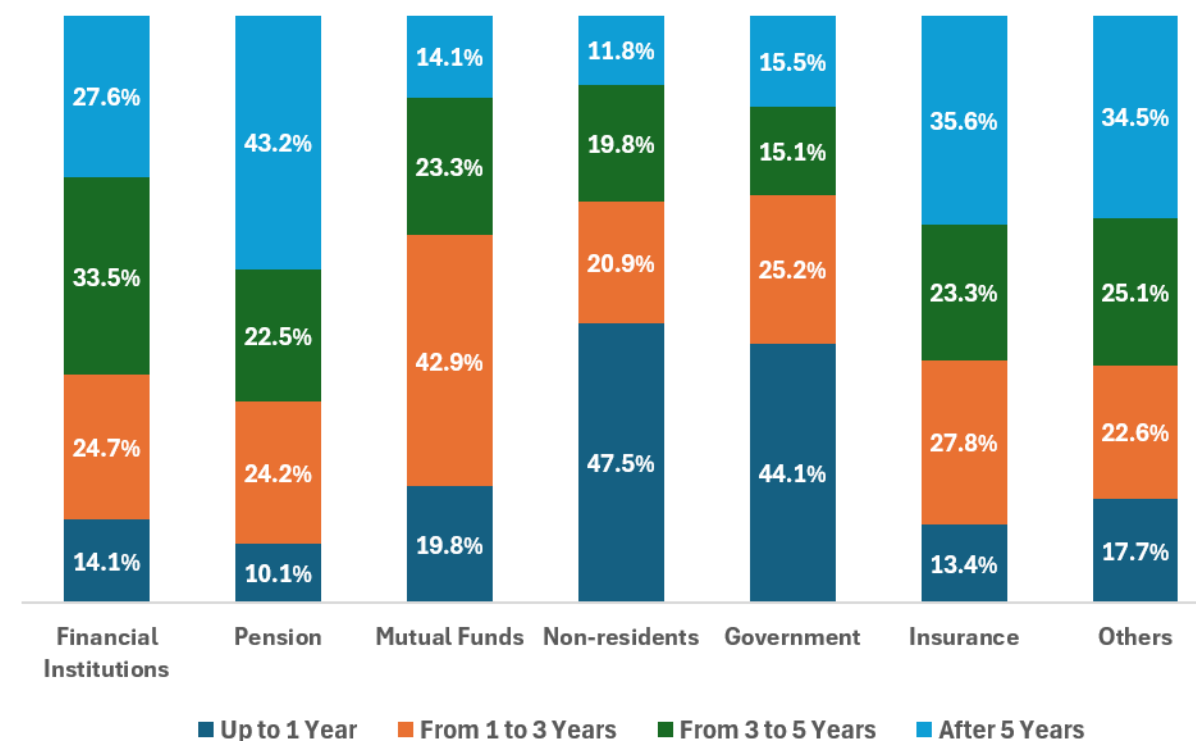
Pension funds prefer inflation-linked bonds

...While non-residents have a stronger demand for long-term, fixed rate bonds

Breakdown by Index (April 26)



Breakdown by Maturity (April 26)

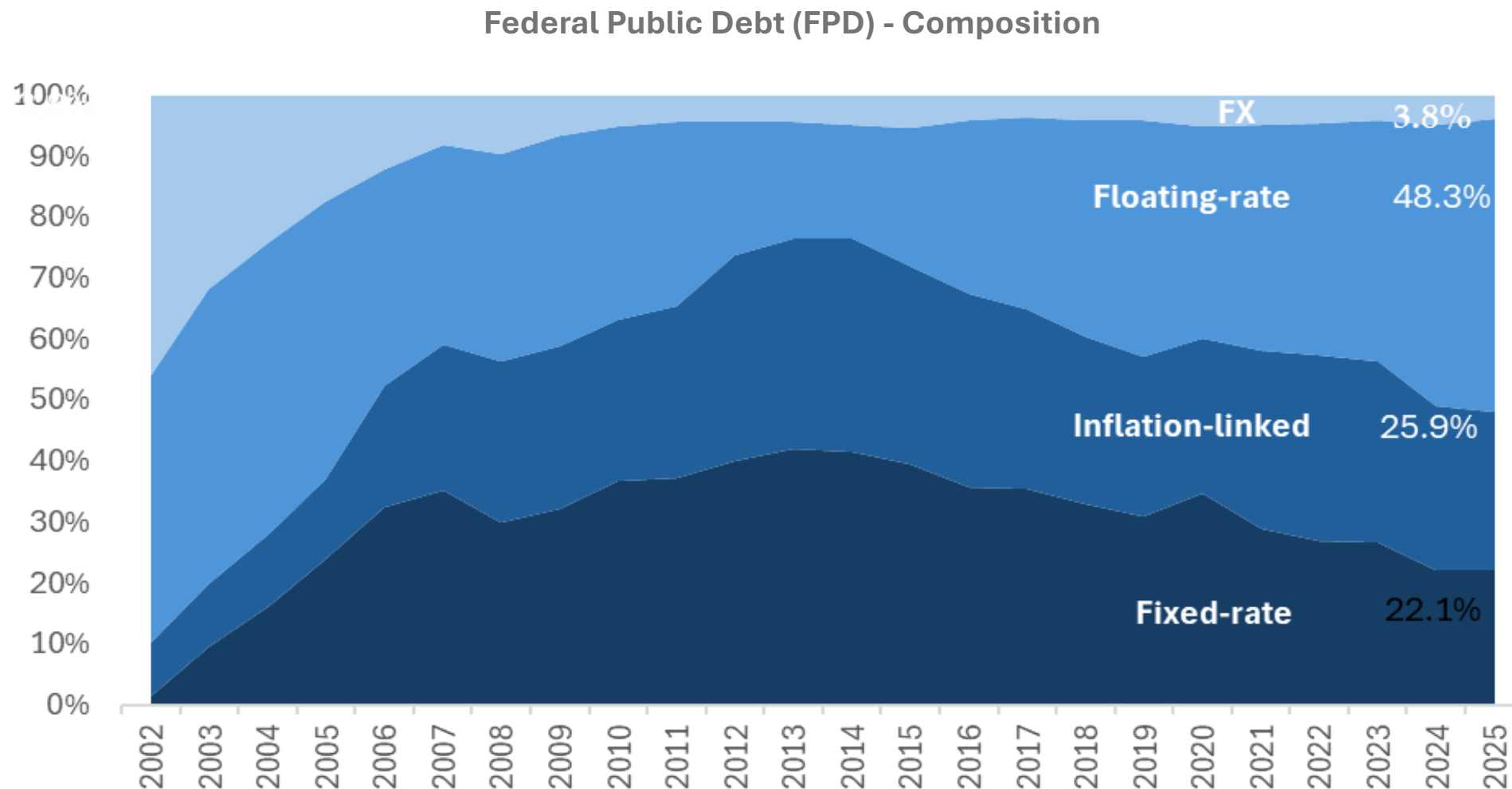


Source: National Treasury

Note 1: Federal Public Debt statistics are available at <https://www.tesourotransparente.gov.br/publicacoes/relatorio-mensal-da-divida-rmd>



The diversified investor base allows the National Treasury to issue different types of debt instruments



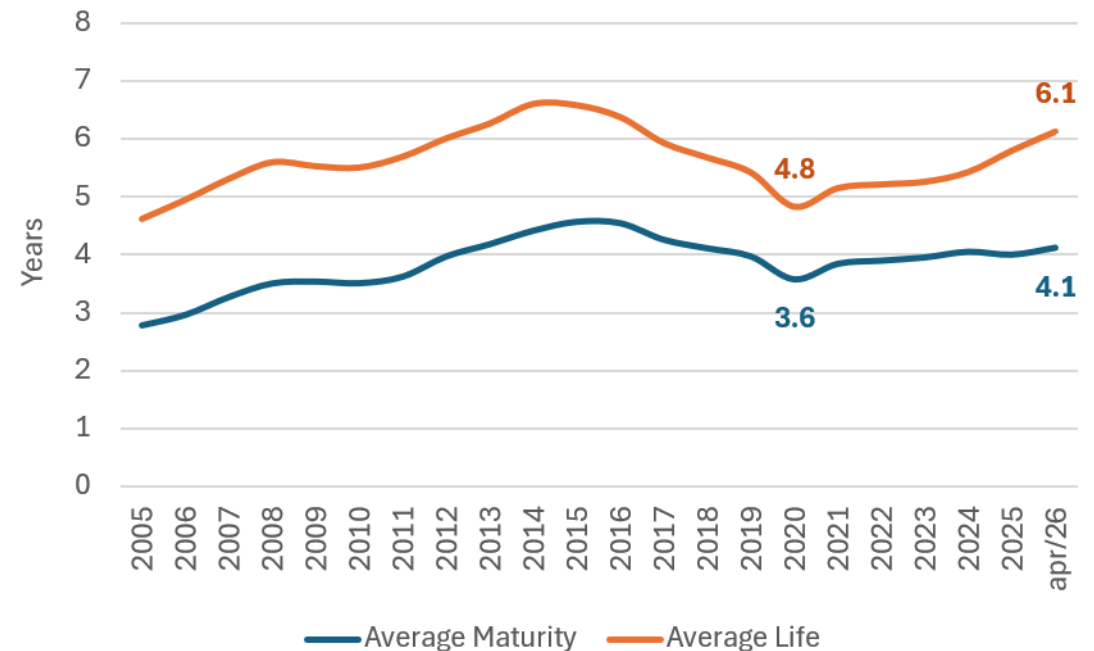
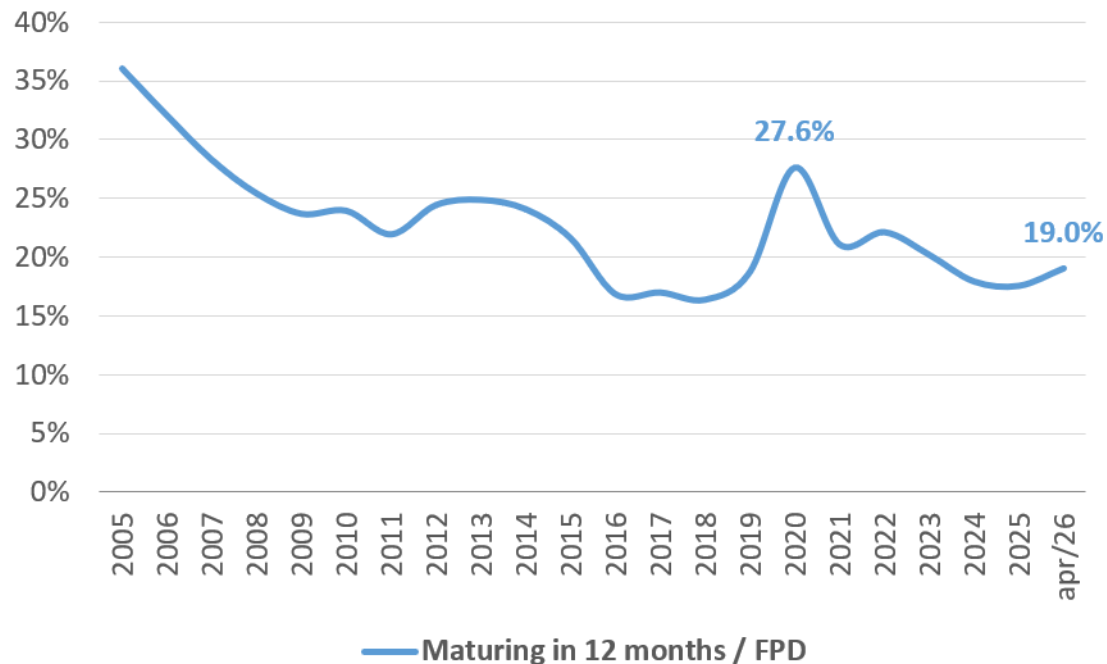
Source: National Treasury

Note 1: Federal Public Debt statistics are available at <https://www.tesourotransparente.gov.br/publicacoes/relatorio-mensal-da-divida-rmd>

Note 2: Federal Public Debt includes on- and offshore liabilities.

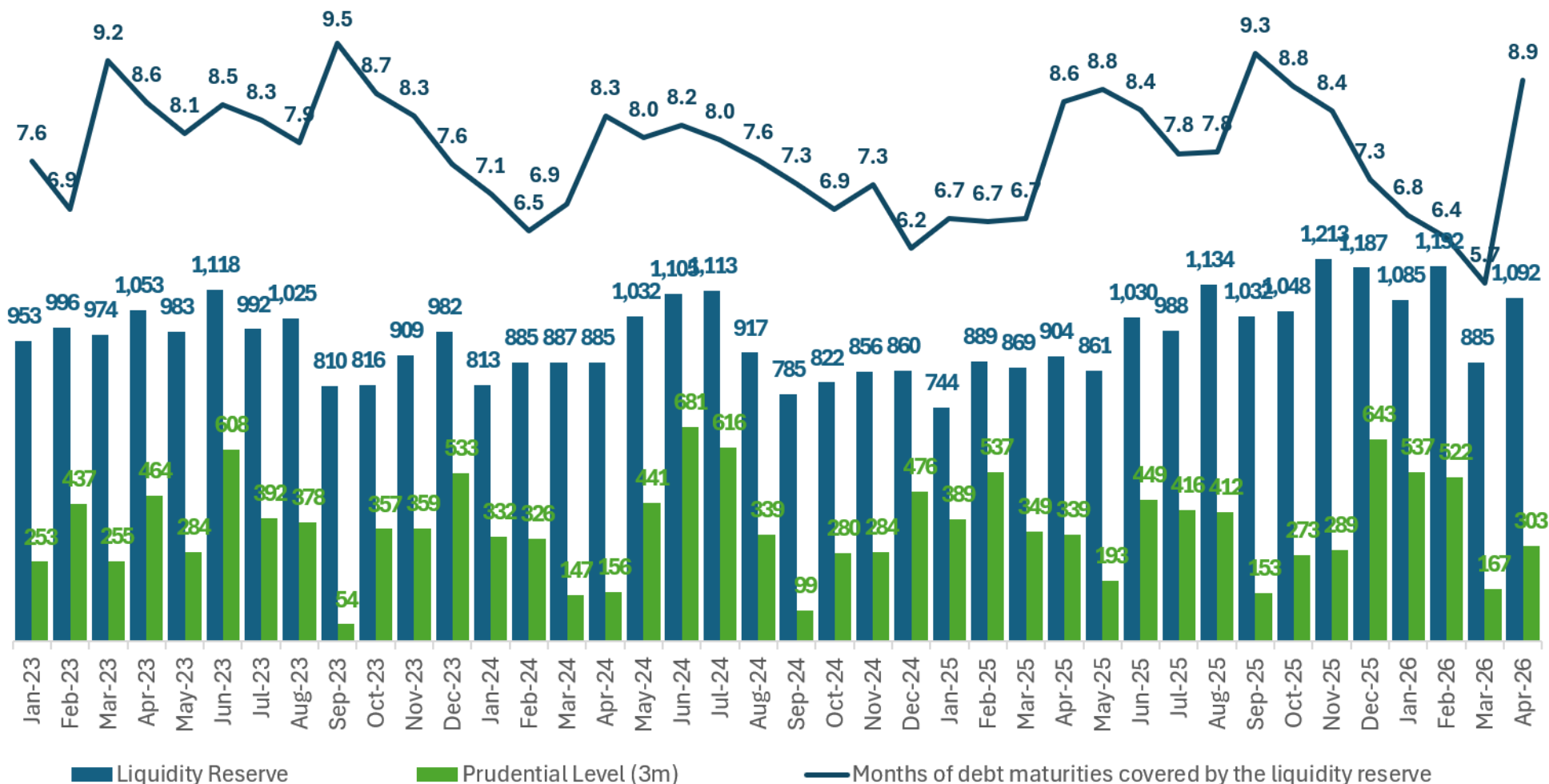
...seeking to increase outstanding debt average maturity, with particular attention to short-term maturity

Federal Public Debt (FPD) - Maturity Structure and Refinancing Risks



The National Treasury has a significant liquidity reserve to mitigate refinancing risk

Federal Public Debt liquidity reserve* (R\$ bn)



By the end of April 26, the liquidity reserve reached **R\$ 1.092 trillion**, which represents 8.9 months coverage of debt

Source: National Treasury

(*) Cash position held at the Treasury's single account in the Central Bank and dedicated exclusively to debt management

External Market Strategy

General Guidelines

Creation and improvement of benchmarks in the sovereign yield curve

Possibility of carrying out external liability management operations

Monitoring of External Contractual Debt

Enhancement and diversification of the investor base

Support for national commitments to the ecological transition

- The planning foresees the continuation of **external issuances of conventional and sustainable bonds**;
- The external issuance strategy aims to maintain an **efficient sovereign yield curve** with appropriate price formation and liquidity.
- Sovereign external issuances are useful for price formation in **external fundraising by Brazilian companies**.

Sustainable bonds

- In addition to following the general guidelines of the external debt strategy, sustainable issuances allocate the funds raised (in an equivalent amount) exclusively to eligible expenditures associated with environmental and/or social benefits, in accordance with the **Brazilian Framework for Sovereign Sustainable Bonds**.
- Enhancing transparency, the country has chosen to publish a **Pre-Issuance Report with an Indicative Allocation of Resources**, which specifies the eligible expenditure categories from the Framework that will be considered for each sustainable issuance.
- Brazilian sustainable issuances comply with the commitment to periodic disclosure on the use of funds through **Allocation and Impact Reports**.
















The Brazilian Government collaborated with the World Bank and the Inter-American Development Bank (IDB) in developing the Brazilian Framework






- The **Brazilian Framework** was designed to guide the issuance of sustainable bonds, in compliance with the **ICMA Sustainability Bond Guidelines**, and in alignment with the **United Nations Sustainable Development Goals (SDGs)**, covering 13 of the 17 SDGs.
- Sustainable bonds follow a use-of-proceeds approach, ensuring that funds equivalent to the net amount issued are exclusively allocated to eligible **environmental and social projects**.
- The issuance of sustainable bonds aligns with the National Treasury's debt management strategy of accessing the market with a certain frequency and in volumes sufficient **to ensure liquidity and efficient price formation of the bonds**. This initiative **enhances transparency and improves communication** regarding Brazil's sustainability agenda.
- For more information, visit: https://www.gov.br/tesouronacional/en/federal-public-debt/sustainable-bonds/sustainable-bonds-home?set_language=en
- In addition to the Framework, each issuance is supported by a **Pre-Issuance Report**, which is a document that outlines a minimum and maximum threshold, in relation to the size of the issuance, for the eligible expenditure categories under the Framework, thereby enhancing transparency in the allocation of proceeds.
- For more information, visit: <https://www.tesourotransparente.gov.br/publicacoes/pre-issuance-indicative-resource-allocation-report-relatorio-pre-emissao-com-alocacao-indicativa-de-recursos-ingles/2025/26>



Brazil has published three Pre-Issuance Reports, the last one in August 2025

Expenditure Category	Minimum	Maximum	Impacted SGDs
Green*	50,0%	60,0%	
Renewable energy	12.0%	16.0%	 
Sustainable management of living and natural resources and land use	10.0%	14.0%	  
Terrestrial and aquatic biodiversity	15.0%	19.0%	  
Sustainable management of water and effluents	11.0%	15.0%	  
Adaptation to climate change	2.0%	6.0%	 

*Although the individual values of each category may vary within the presented range, the sum of the categories must always be at least 50% and at most 60%.

Expenditure Category	Minimum	Maximum	Impacted SGDss
Social**	40%	50%	
Combating poverty	20.0%	25.0%	 
Food security and sustainable food systems	10.0%	15.0%	
Access to basic infrastructure	10.0%	15.0%	 

**Although the individual values of each category may vary within the presented range, the sum of the categories must always be at least 40% and at most 50%..






Expense Type	Minimum	Maximum
Environmental	50%	60%
Social	40%	50%

For more information, access: [Pre-Issuance Report](#).

Source: National Treasury.

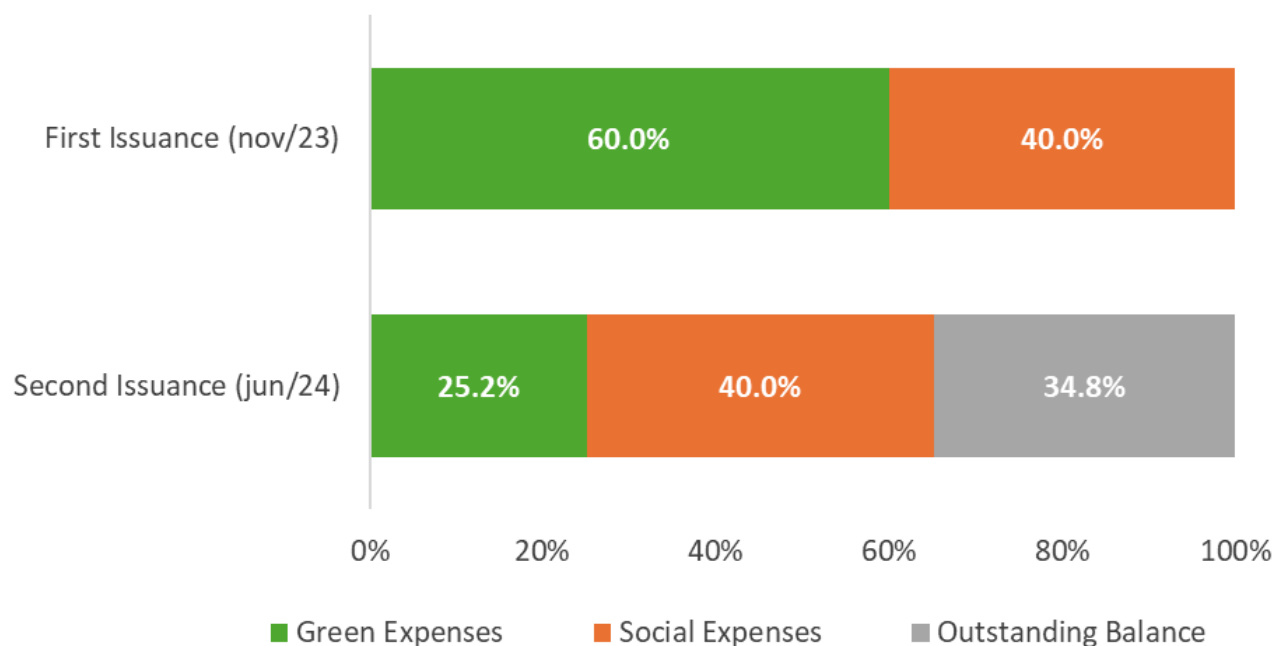


The sustainable issuances were well received, earning various prizes.

Issuance Details	
Issue Date	November 13, 2023
Issuance Currency	U.S. Dollar (USD)
Amount	USD 2 billion
Tenor	7 years (March 1, 2031)
Coupon	6.250%
Yield	6.500% (a spread of 181.9 bps over US Treasury bond)
   	
Issue Date	June 20, 2024
Issuance Currency	U.S. Dollar (USD)
Amount	USD 2 billion
Tenor	7 years (January 22, 2032)
Coupon	6.125%
Yield	6.375% (a spread of 212.80 bps over US Treasury bond)
	
Issue Date	November 6, 2025
Issuance Currency	U.S. Dollar (USD)
Amount	USD 1.5 billion
Tenor	7 years (February 4, 2033)
Coupon	5,50%
Yield	5.75% (a spread of 187.4 bps over US Treasury bond)

Allocation and Impact Report 2025

Environmental expenses, social expenses, and outstanding balance



- In November 2025, the National Treasury published the **second Allocation and Impact Report (RAI 2025)** covering the first and second issuance of sovereign sustainable bonds.

Temporal Allocation Criteria

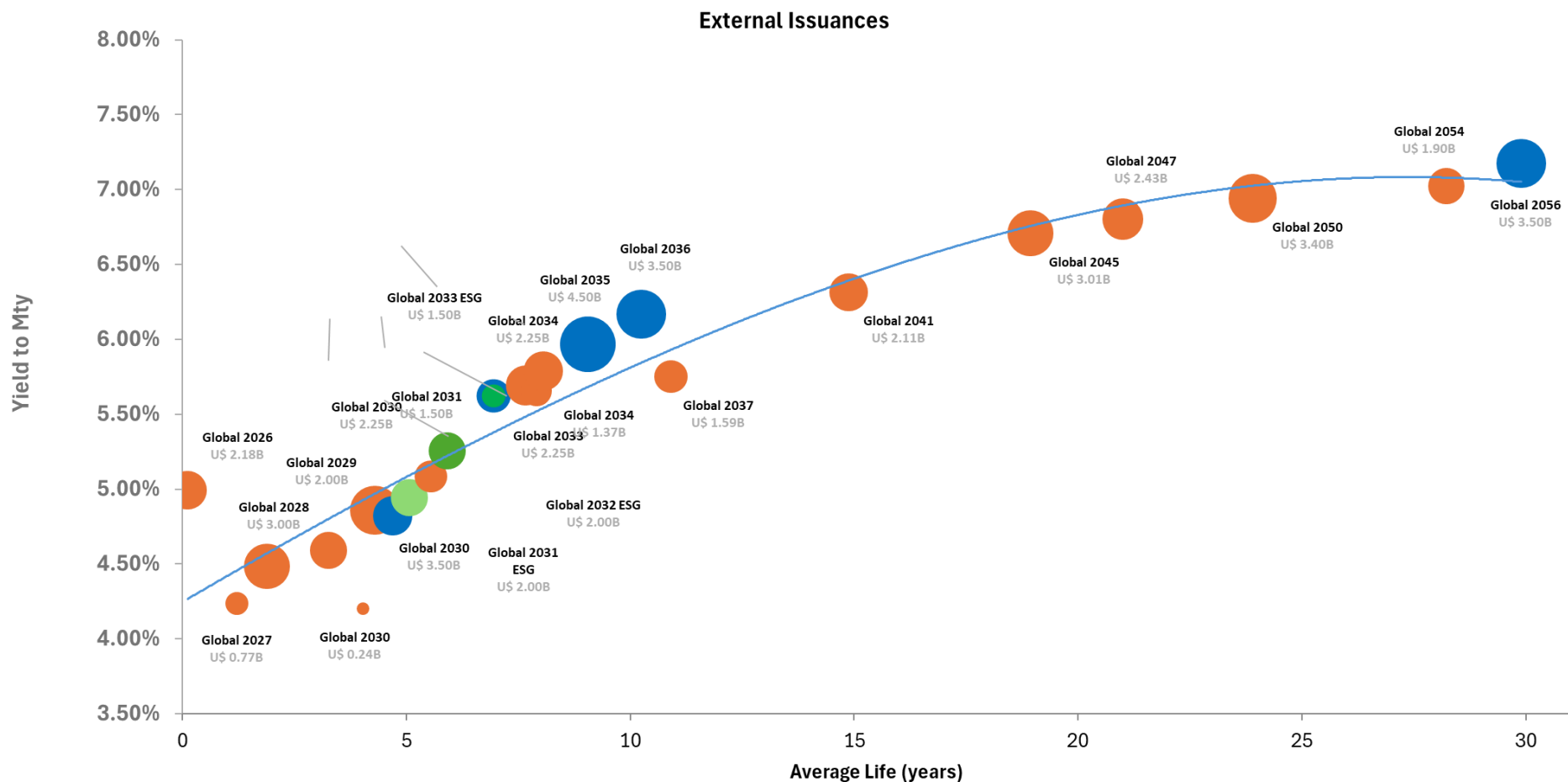
- Eligible expenses can be incurred within the period spanning 12 months before issuance and up to 24 months after the issuance of each bond. Thus, **RAI 2025 includes a total allocation of the first bond issued in November 2023 and a partial allocation of the second bond issued in June 2024.**

Allocation and Impact Report (RAI 2025)

Expenses Categories	1st Issuance (Nov23)			2nd Issuance (May24)		
	Lower limit RPE	Upper limit RPE	Allocated	Lower limit RPE	Upper limit RPE	Allocated
Green	50%	60%	60.0%	50.0%	60.0%	25.5%
1.1 Control of GHG emissions	0.1%	0.2%	0.2%	4.0%	5.0%	0.0%
1.2 Solid waste management	-	-	0.1%	-	-	-
2. Renewable energy	15.0%	20.0%	15.0%	30.0%	34.0%	11.2%
3. Energy efficiency	-	-	-	0.5%	1.0%	0.3%
4. Clean transport	20.0%	25.0%	3.2%	13.0%	17.0%	0.0%
5. Sustainable management of living and natural resources and land use	3.0%	6.0%	14.5%	-	-	9.2%
6. Terrestrial and aquatic biodiversity	11.0%	18.0%	18.0%	1.0%	2.0%	2.9%
7. Sustainable management of water and effluents	-	-	8.2%	-	-	-
8. Adaptation to climate change	0.5%	0.8%	0.8%	1.0%	2.0%	1.7%
9. Circular economy	-	-	-	0.5%	1.0%	0.3%
Social	40%	50%	40.0%	40.0%	50.0%	40.0%
1.1 Combating poverty	30.0%	40.0%	30.0%	36.0%	46.0%	36.0%
1.2 Combating discrimination	-	-	-	-	-	-
2. Food security and sustainable food systems	10.0%	17.0%	10.0%	-	-	-
3. Employment Generation	-	-	-	-	-	-
4. Access to Affordable Housing	-	-	-	-	-	-
5. Access to basic infrastructure	-	-	-	4.0%	8.0%	4.0%

For sustainable bonds, the National Treasury's strategy consists of establishing well-defined benchmarks on the yield curve, specifically in the maturity range of 7 to 11 years

Yield Curve – External issuances



* As of February 25th, 2026, the size of bubbles represents the amount outstanding.

Federal Public Debt

Investor Presentation

For any questions or comments, please contact us at:
brazildebt@tesouro.gov.br

Federal Public Debt statistics available at:
<https://www.tesourotransparente.gov.br/publicacoes/relatorio-mensal-da-divida-rmd>